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7 August 1950

DRAFT MEMORANDUM TO PARTICIPATING MEMBERS OF THE IAC

SUBJECT: NIS Program

1. Enclosed is the Annual Report of the NIS Program for the fiscal year 1950.
2. During the course of this past year, the original requirements for NIS production of the equivalent of 15 NIS a year were reduced to the equivalent of 8 NIS a year in view of the insufficient capabilities of the Armed Forces Intelligence Agencies. Even this reduced goal was not attained during Fiscal Year 1950. Moreover, the quality of the contributions was seriously deficient in far too many instances. There were also many gaps in the basic intelligence which will require considerable collection effort to fill.
3. Since the end of Fiscal Year 1950, the Armed Forces Intelligence Agencies have diverted most of their capabilities to meeting the requirements of the current situation. The Office of Naval Intelligence has given formal notice that, because of the current situation in the Far East, work on Navy commitments to the NIS Program will be suspended until further notice. The NIS representatives from Army and Air Force have informally indicated similar decisions regarding work on Army and Air Force commitments. Although the Office of Intelligence Research has not indicated that the current situation will adversely affect work on Department of State commitments, the action of the Armed Forces Intelligence Agencies will seriously affect progress of the NIS Program.

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4. This is not the first occasion when an emergency has interfered with Armed Forces commitments to the NIS Program. When preparation was being made to implement the Military Defense Aid Program, demands on the Armed Forces Intelligence Agencies, while not causing a complete stoppage of NIS production, were such as to effect drastic curtailment thereof. Hence, judging from this and the current instances, it is valid to conclude that, even if the Armed Forces Agencies eventually resume NIS production, this production will be curtailed or halted again as soon as the next emergency arises.

5. The NIS Program is a long range project undertaken in accordance with NSCIB No. 3 and is designed to produce all basic intelligence needed by the Government. Such a program, in order to produce adequate basic intelligence, requires special machinery for control and coordination, extensive analytical research, and intensified collection and collation. Once these activities are interrupted they are difficult to set in motion again. Hence, if the program is to cover the high priority countries in a reasonable time, production ~~must~~ proceed in an orderly and continuous manner.

6. Basic intelligence is so vital to planning that, if planners cannot obtain such intelligence from the NIS, they will obtain it by means of a swollen volume of ad hoc requests. The result is a disruption of the NIS Program, such as we are now experiencing which, if continued, will mean the reversion of basic intelligence to its highly unsatisfactory state of World War II.

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7. The Armed Forces Intelligence Agencies have never, even in ordinary times, fully met their NIS commitments either quantitatively or qualitatively. They have been repeatedly urged to realign their effort so as to remedy this default. This urging has, however, had little salutary effect. In these agencies, the NIS effort is so intermingled with other efforts that extrication of the former has been impossible; and, when the NIS effort has collided with some other effort, the latter has frequently taken precedence.

8. Because the NIS Program is a joint undertaking, unilateral action on the part of a major contributor leading to a diminution of his capabilities has immediate and serious effect upon other contributors, upon commitments of CIA, and upon an integrated production schedule. It also vitiates existing commitments under the NIS Program as approved by the National Security Council. The Armed Forces Intelligence Agencies, however, have repeatedly taken such unilateral action in spite of existing agreements. The continuation of this state of affairs can only mean the emasculation and eventual demise of the NIS Program.

9. I should appreciate knowing what remedial action will be taken by those participants who have not met their commitments which were approved by the Joint Chiefs of Staff and the National Security Council.

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